STATE OF NEVADA **DEPARTMENT OF BUSINESS AND INDUSTRY** DIVISION OF MORTGAGE LENDING

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In re: 4

Lori Blake.

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Respondents.

ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE FINE AND NOTICE OF RIGHT TO REQUEST HEARING

The licensing and regulation of mortgage brokers and mortgage agents in the State of Nevada is governed by Chapter 645B of the Nevada Revised Statutes (hereinafter "NRS") and Chapter 645B of the Nevada Administrative Code (hereinafter "NAC"). The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter the "Division") has the general duty to exercise supervision and control over mortgage brokers and mortgage brokering activity. See, NRS 645B.060(1), NRS 645B.670 and NRS 645B.690, as amended. Pursuant to that authority, the Division makes the following Factual Allegations. Violations of Law, and Order as follows:

FACTUAL ALLEGATIONS

- 1. Based upon information and belief, Du Blake Investment Corp. (hereinafter "Du Blake Investment") is a corporation organized and existing under the laws of the State of Nevada since on or about January 8, 2009. Currently, Du Blake Investment's status with the Nevada Secretary of State is "active."
- 2. Based upon information and belief, and at all relevant times herein mentioned, Du Blake Investment held itself out, and continues to hold itself out, as engaging in or carrying

on the business of a mortgage broker pursuant to NRS 645B and conducted, and continues to conduct, mortgage broker activity in the State of Nevada.

- 3. Du Blake Investment has never been issued a mortgage broker license by the Division pursuant to NRS 645B.
- 4. Based upon information and belief, and at all relevant times herein mentioned, Lori Blake (hereinafter "Blake") held herself out, and continues to hold herself out, as a mortgage agent licensed by the Division pursuant to NRS 645B.
- 5. Based upon information and belief, and at all relevant times herein mentioned, Blake was, and continues to be, affiliated with, or employed by, Du Blake Investment as a "loan consultant," and solicited and conducted, and continues to solicit and conduct, mortgage lending activity in the State of Nevada on behalf of Du Blake Investment.
- 6. Blake has never been issued a mortgage agent license by the Division pursuant to NRS 645B.
- 7. On or about June 23, 2009, the Division received a written complaint (hereinafter the "Complaint") from complainant DF alleging, among other things, that:
- a. On or about January 21, 2009, DF spoke with Blake, and made application to Du Blake Investment for a mortgage loan;
- b. Du Blake Investment sent DF two commitment letters, both of which were signed by Blake as "loan consultant," true and correct copies of which (except for redacted borrower information) are attached hereto collectively as Exhibit A and incorporated herein by reference as though set forth in full; and
- c. When the loan was to be funded, Blake informed Complainant that she did not have the money to fund the loan.
- 8. Pursuant to NRS 645B.060(2)(c), the Division is charged with conducting "...such investigations as may be necessary to determine whether any person has violated any provision

of this chapter, a regulation adopted pursuant to this chapter... or an order of the Commissioner."

- 9. Pursuant to NRS 645B.060(2)(e), the Division is further charged with conducting "...such other investigations, periodic or special audits, investigations and hearings as may be necessary and proper for the efficient administration of the laws of this State regarding mortgage brokers and mortgage agents..."
- 10. Pursuant to NRS 645B.610, if a person properly files a complaint with the Division, the Division is further charged with investigating "each violation alleged in the complaint..." and the Division "shall determine from the investigation whether there is reasonable cause to believe that the person committed the alleged violation..." <u>See NRS 645B.610(1)</u> and NRS 645B(3), respectively.
- 11. Pursuant to NRS 645B.900, unless a person is exempt from NRS 645B and complies with exemption requirements, "[it] is unlawful for any person to offer or provide any of the services of a mortgage broker or mortgage agent or otherwise to engage in, carry on or hold himself out as engaging in or carrying on the business of a mortgage broker or mortgage agent without first obtaining the applicable license issues pursuant to [NRS 645B]..."
- 12. Pursuant to NRS 645B.400, "[a] person shall not act as or provide any of the services of a mortgage agent or otherwise engage in, carry on or hold himself out as engaging in or carrying on the activities of a mortgage agent unless the person has a license as a mortgage agent issues pursuant to NRS 645B.410."
- 13. After receiving the above Complaint, the Division conducted an investigation, pursuant to NRS 645B.060, which revealed, among other things, that:
- a. Du Blake Investment has never been issued a mortgage broker license by the Division pursuant to NRS 645B.

- b. Blake has never been issued a mortgage agent license by the Division pursuant to NRS 645B.
- c. At all relevant times herein mentioned, Blake was affiliated with, or employed by, Du Blake Investment as a "loan consultant," and solicited and conducted mortgage lending activity in the State of Nevada on behalf of Du Blake Investment, as evidenced by Blake's discussion with DF regarding a mortgage loan, and Blake's signature as "loan consultant" on two loan commitment letters to DF.
- 14. Pursuant to NRS 645B.690(1), as it existed at the time of said violations, "[i]f a person offers or provides any of the services of a mortgage broker or mortgage agent or otherwise engages in, carries on or holds himself or herself out as engaging in or carrying on the business of a mortgage broker or mortgage agent and, at the time:
- (a) The person was required to have a license pursuant to this chapter and the person did not have such a license; or
- (b) The person's license was suspended or revoked pursuant to this chapter, the Commissioner shall impose upon the person an administrative fine of not more than \$10,000 for each violation and, if the person has a license, the Commissioner shall revoke it."
- 15. Pursuant to NRS 645B.670, as it existed at the time of said violations, "[f]or each violation committed by an applicant, whether or not he is issued a license, the Commissioner may impose an administrative fine of not more than \$10,000 if he has violated any provision of Chapter 645B, a regulation adopted pursuant thereto or an order of the Commissioner." See NRS 645B.670(1)(c).
- 16. Pursuant to NAC 645B.340(1), if a person engages in an activity in violation of the provisions of Chapter 645B of NRS, "the Commissioner may issue an order to the person directing the person to cease and desist from engaging in the activity..."

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VIOLATIONS OF LAW

- 1. After investigating this matter, the Division has determined that at all relevant times herein mentioned Du Blake Investment held itself out as engaging in or carrying on the business of a mortgage broker in violation of NRS 645B and offered or provided unlicensed services of a mortgage broker in violation of NRS 645B.900; and
- 2. At all relevant times herein mentioned, Blake held herself out as engaging in or carrying on the business of a licensed mortgage agent, and solicited, offered, or provided unlicensed services of a mortgage agent, in violation of NRS 645B.400 and 645B.900.

ORDER

NOW, THEREFORE, THE COMMISSIONER OF THE DIVISION HEREBY ORDERS that, based on Du Blake Investment's and Blake's unlicensed activity in violation of NRS 645B, and pursuant to NRS 622.080 and NAC 645B.340:

- A. DU BLAKE INVESTMENT IMMEDIATELY CEASE AND DESIST from the following activities:
- Conducting any and all unlicensed mortgage broker activity in the
 State of Nevada; and
- Advertising for and soliciting mortgage broker business within the
 State of Nevada.
- B. BLAKE IMMEDIATELY CEASE AND DESIST from the following activities:
- Conducting any and all unlicensed mortgage agent activity in the
 State of Nevada; and
- Advertising for and soliciting mortgage agent business within the
 State of Nevada.

Petition with the Division within **thirty (30) days** of receipt of this Order to Cease and Desist, Du Blake Investment and Blake, and each of them, shall be entitled to a hearing with regard to the contents of this Order to Cease and Desist. Du Blake Investment and Blake are advised, however, that the provisions of this Order to Cease and Desist are effective immediately upon Du Blake Investment and Blake being served therewith, whether or not they, or either of them, request a hearing.

NOTICE TO DU BLAKE INVESTMENT AND BLAKE and each of them: If you request a hearing, you are specifically informed that you have the right to appear and be heard in your defense, either personally or through your counsel of choice at your own expense. At the hearing, if one is timely requested, the Division will call witnesses and present evidence against you. You have the right to respond and to present relevant evidence and argument on all issues involved. You have the right to call and examine witnesses, introduce exhibits and cross-examine opposing witnesses on any matter relevant to the issues involved.

If the Division prevails at any hearing, it may request that attorney's fees and costs be awarded pursuant to NRS 622.400.

IT IS FURTHER ORDERED, pursuant to NRS 645B.750, that upon written application to the Division within **twenty (20) days** of the date of this Order, Du Blake Investment and Blake, and each of them, shall be entitled to a hearing with regards to the contents of this Order referenced hereafter. At that hearing the Division will seek:

1. The imposition of an administrative fine against Du Blake Investment and Blake, jointly and severally, in the amount of Five Thousand Dollars and No Cents (\$5,000.00), payable to the Division on account of their violations of Chapter 645B of NRS, the Division's investigative costs in the amount of Six Hundred Sixty Nine Dollars and No

Cents (\$669.00) as well as the Division's attorney's fees, if any, incurred herein, to be proven at the hearing; and

2. Payment, in full, to the Division of both the administrative fine in the amount of Five Thousand Dollars and No Cents (\$5,000.00) and the Division's investigative costs in the amount of Six Hundred Sixty Nine Dollars and No Cents (\$669.00), as well as the Division's attorney's fees, if any, by Du Blake Investment and Blake, who shall be jointly and severally liable, within **thirty (30) days** of entry of the Final Order.

Should Du Blake Investment or Blake not request a hearing within **twenty (20) days** of the date of this Order, the Division will enter a Final Order in this matter against Du Blake Investment and Blake, as required by NRS 645B.750(2).

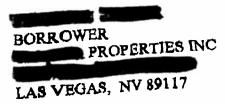
Dated this <u>19^{7h}</u> day of April, 2010.

State of Nevada
Department of Business and Industry
Division of Mortgage Lending

By: / North Will tub Joseph L. Waltuch, Commissioner

EXHIBIT "A"

DU BLAKE INVESTMENT CORP. 50 S JONES #200 LAS VEGAS, NV 89107 March, 25 2009



Property Address: Las Vegas, NV

We have reviewed your application for credit, and I am pleased to inform you that your loan has been approved. Please read carefully the enclosed terms and conditions upon

which this loan has been based. If you have any questions about your loan, or if we can be of further service to you, please call us at our customer service number, 702-562-0007, and an account representative will be happy to assist you.

Terms, 12 months interest only, no pre-payment. 70% LTV. Loan amount to be

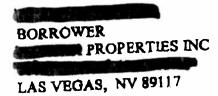
\$49,000.00. 5 points shall be paid to DU BLAKE INVESTMENT, AND WILL BE ADDED TO THE LOAN.

Conditions. \$1000.00 for processing, (paid in full) Purchase Contract, Corporation **Papers**

Lori Blake Loan Consultant

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DU BLAKE INVESTMENT CORP. 50 S JONES #200 LAS VEGAS, NV 89107 March, 25 2009



Property Address: Las Vogas, NV

We have reviewed your application for credit, and I am pleased to inform you that your loan has been approved. Please rend carefully the enclosed terms and conditions upon which this loan has been based.

If you have any questions about your loan, or if we can be of further service to you, please call us at our customer service number, 702-562-0007, and an account representative will be happy to assist you.

Terms, 12 months interest only, no pre-payment. 70% LTV. Loan amount to be

\$105,000.00. 5 points shall be paid to DU BLAKE INVESTMENT, AND WILL BE ADDED TO THE LOAN.

Conditions. \$1000.00 for processing, (paid in full) Purchase Contract, Corporation Papers

Lori Blake Loan Consultant

Loi Blake

	CERTIFICATE OF SERVICE
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3	I certify that I am an employee of the State of Nevada, Department of Business and Industry,
4	Division of Mortgage Lending, and that on , April 20, 2010, I deposited in the U.S. mail, postage
5	prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of
6	the foregoing, ORDER TO CEASE AND DESIST, NOTICE OF INTENT TO IMPOSE FINE
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8	AND NOTICE OF RIGHT TO REQUEST HEARING for DU BLAKE INVESTMENTS CORP.
9	AND LORI BLAKE, addressed as follows:
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11	Lori Blake
12	Du Blake Investment Corp. 50 S. Jones, Suite 200
13	Las Vegas, NV 89107
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16	Certified Receipt Number: 7006 2760 0000 0876 4425
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19	DATED this 19 th day of April, 2010
20	By: Susan Slack
21	Employee of the Division
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